

MOR-1

## UNITED STATES BANKRUPTCY COURT

CASE NAME HouTex Builders LLC  
CASE NUMBER 18-34658  
PROPOSED PLAN DATE

PETITION DATE 8/23/2018  
DISTRICT OF TEXAS: Southern  
DIVISION: Houston

## MONTHLY OPERATING REPORT SUMMARY FOR MONTH February \* YEAR 2020

MONTH	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February
REVENUES (MOR-6)	0.00	0.00	0.00	2,575,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,400,000.00	0.00	0.00
EXPENSES (MOR-6)	-1,501.74	-5,398.89	-2,265.93	-23,372.97	-7,173.99	-9,762.31	-24,264.85	-31,975.61	-3,413.74	7,258.49	-1,341.11	-1,602.78	-506.43	-10,607.91	-4,682.81	-564,705.97	0.00	-975.00
NET INCOME (LOSS) (MOR-6)	-1,501.74	-5,412.22	-18,489.85	-25,300.31	-7,173.99	-9,762.31	-24,264.85	-31,975.61	-3,413.74	7,258.49	-1,341.11	-1,602.78	-506.43	-10,607.91	-4,682.81	-564,705.97	0.00	-975.00
PAYMENTS TO CREDITORS (MOR-9)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	2,266.00	0.00	0.00	0.00	0.00	0.00	2,693.75	0.00	0.00	0.00	0.00	0.00	7,757.50	0.00	55,186.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-9)	1,501.74	5,388.24	23,157.74	23,068.09	44,752.46	41,123.26	64,059.21	86,550.09	42,130.02	12,330.49	27,271.69	20,110.05	9,532.52	19,211.41	13,416.34	55,305.50	0.00	975.00

\*This monthly operating report includes all amounts from the Petition Date through August 31, 2019

REQUIRED INSURANCE MAINTAINED		EXP. DATE
AS OF SIGNATURE DATE		
CASUALTY	YES ( ) NO (X)	-
LIABILITY	YES ( ) NO (X)	-
VEHICLE	YES ( ) NO (X)	-
WORKERS	YES ( ) NO (X)	-
OTHER	YES ( ) NO (X)	-

Are all accounts receivable being collected within terms? ☒ Yes ☐ No

Are all post-petition liabilities, including taxes, being paid within terms? ☒ Yes ☐ No

Have any pre-petition liabilities been paid? ☒ Yes ☐ No

If so, describe \_\_\_\_\_

Are all funds received being deposited into CIP bank accounts? ☒ Yes ☐ No

Were any assets disposed of outside the normal course of business? ☒ Yes ☐ No

If so, describe \_\_\_\_\_

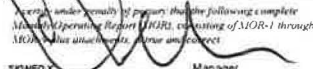
Are all U.S. Trustee Quarterly Fee Payments current? ☒ Yes ☐ No

What is the status of your Plan of Reorganization? \_\_\_\_\_

ATTORNEY NAME: Charles Rubio  
FIRM NAME: Diamond McCarthy LLP  
ADDRESS: 909 Fannin Street, 37th Floor  
CITY, STATE, ZIP: Houston, Texas 77010  
TELEPHONE/FAX: 713-333-5100

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I hereby certify under penalty of perjury that the following is a complete and true statement of the debtor's financial condition as of the date of the filing of this statement, and that the same is true and correct.

SIGNED:   
\_\_\_\_\_  
Manager  
Charles Foster  
(PRINT NAME OF SIGNATORY) DATE

7-27-20

CASE NAME: HouTex Builders LLC  
CASE NUMBER: 18-34658

## COMPARATIVE BALANCE SHEETS

ASSETS	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February
<b>CURRENT ASSETS</b>												
Cash	86,458.47	1,527.02	4,485.92	3,655.43	1,264.70	151,451.15	151,918.63	132,707.22	119,290.88	569,101.66	569,101.66	568,126.66
Accounts Receivable, Net												
Inventory: Lower of Cost or Market												
Prepaid Expenses	15,420.01	13,281.60	11,143.19	9,004.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments												
Other												
<b>TOTAL CURRENT ASSETS</b>	<b>101,878.48</b>	<b>14,808.62</b>	<b>15,629.11</b>	<b>12,660.21</b>	<b>1,264.70</b>	<b>151,451.15</b>	<b>151,918.63</b>	<b>132,707.22</b>	<b>119,290.88</b>	<b>569,101.66</b>	<b>569,101.66</b>	<b>568,126.66</b>
<b>PROPERTY, PLANT &amp; EQUIP. @ COST</b>												
Less Accumulated Depreciation												
<b>NET BOOK VALUE OF PP &amp; E</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>OTHER ASSETS</b>												
1. Tax Deposits												
2. Investments in Subsidiaries												
3. Electric Deposit*	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	0.00	0.00	0.00
4. Real property*	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	3,138,006.72	0.00	0.00	0.00
<b>TOTAL ASSETS</b>	<b>\$3,240,085.20</b>	<b>\$3,153,015.34</b>	<b>\$3,153,835.83</b>	<b>\$3,150,866.93</b>	<b>\$3,139,471.42</b>	<b>\$3,289,657.87</b>	<b>\$3,290,125.35</b>	<b>\$3,270,913.94</b>	<b>\$3,257,497.60</b>	<b>\$569,101.66</b>	<b>\$569,101.66</b>	<b>\$568,126.66</b>

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CASE NAME: HouTex Builders LLC  
CASE NUMBER: 18-34658

## COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February
<b>LIABILITIES</b>												
POST-PETITION LIABILITIES(MOR-4)	209,368.46	211,472.19	257,104.42	256,381.92	271,870.96	443,211.19	454,310.08	455,452.40	456,557.87	457,700.19	458,842.51	459,911.13
<b>PRE-PETITION LIABILITIES</b>												
Notes Payable - Secured	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	3,139,200.44	1,272,204.14	1,272,204.14	1,272,204.14
Priority Debt												
Federal Income Tax												
FICA/Withholding												
Unsecured Debt	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04	540,340.04
Other - Option fee				500.00	500.00	500.00	500.00	500.00	500.00	0.00	0.00	0.00
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>3,679,540.48</b>	<b>3,679,540.48</b>	<b>3,679,540.48</b>	<b>3,680,040.48</b>	<b>3,680,040.48</b>	<b>3,680,040.48</b>	<b>3,680,040.48</b>	<b>3,680,040.48</b>	<b>3,680,040.48</b>	<b>1,812,544.18</b>	<b>1,812,544.18</b>	<b>1,812,544.18</b>
<b>TOTAL LIABILITIES</b>	<b>3,888,908.94</b>	<b>3,891,012.67</b>	<b>3,936,644.90</b>	<b>3,936,422.40</b>	<b>3,951,911.44</b>	<b>4,123,251.67</b>	<b>4,134,350.56</b>	<b>4,135,492.88</b>	<b>4,136,598.35</b>	<b>2,270,244.37</b>	<b>2,271,386.69</b>	<b>2,272,455.31</b>
<b>OWNER'S EQUITY (DEFICIT)</b>												
PREFERRED STOCK												
COMMON STOCK												
ADDITIONAL PAID-IN CAPITAL	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48	-386,665.48
RETAINED EARNINGS: Filing Date												
RETAINED EARNINGS: Post Filing Date	-262,158.26	-351,331.85	-396,143.59	-398,889.99	-425,774.54	-446,928.32	-457,559.73	-477,913.46	-492,435.27	-1,314,477.23	-1,315,619.55	-1,317,663.17
<b>TOTAL OWNER'S EQUITY (NET WORTH)</b>	<b>-648,823.74</b>	<b>-737,997.33</b>	<b>-782,809.07</b>	<b>-785,555.47</b>	<b>-812,440.02</b>	<b>-833,593.80</b>	<b>-844,225.21</b>	<b>-864,578.94</b>	<b>-879,100.75</b>	<b>-1,701,142.71</b>	<b>-1,702,285.03</b>	<b>-1,704,328.65</b>
<b>TOTAL LIABILITIES &amp; OWNERS EQUITY</b>	<b>\$3,240,085.20</b>	<b>\$3,153,015.34</b>	<b>\$3,153,835.83</b>	<b>\$3,150,866.93</b>	<b>\$3,139,471.42</b>	<b>\$3,289,657.87</b>	<b>\$3,290,125.35</b>	<b>\$3,270,913.94</b>	<b>\$3,257,497.60</b>	<b>\$569,101.66</b>	<b>\$569,101.66</b>	<b>\$568,126.66</b>

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CASE NAME: HouTex Builders LLC  
CASE NUMBER: 18-34658

**SCHEDULE OF POST-PETITION LIABILITIES**

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	March	April	May	June	July	August	September	October	November	December	January	February
<b>TRADE ACCOUNTS PAYABLE</b>												
<b>TAX PAYABLE</b>												
Federal Payroll Taxes												
State Payroll Taxes												
Ad Valorem Taxes												
Other Taxes												
<b>TOTAL TAXES PAYABLE</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>SECURED DEBT POST-PETITION</b>												
<b>ACCRUED INTEREST PAYABLE</b>												
<b>ACCRUED PROFESSIONAL FEES*</b>												
<b>OTHER ACCRUED LIABILITIES</b>												
1. Accrued interest on DIP Financing	1,548.22	2,033.31	2,576.62	3,176.17	3,838.65	4,882.38	5,981.27	7,123.59	8,229.06	9,371.38	10,513.70	11,582.32
2. Dip financing	196,732.71	198,351.35	243,151.35	243,151.35	268,032.31	438,328.81	448,328.81	448,328.81	448,328.81	448,328.81	448,328.81	448,328.81
3. Insurance payable	11,087.53	11,087.53	11,376.45	10,054.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>	\$209,368.46	\$211,472.19	\$257,104.42	\$256,381.92	\$271,870.96	\$443,211.19	\$454,310.08	\$455,452.40	\$456,557.87	\$457,700.19	\$458,842.51	\$459,911.13

\*Payment requires Court Approval

**MOR-4**

CASE NAME: HouTex Builders LLC  
CASE NUMBER: 18-34658

## AGING OF POST-PETITION LIABILITIES

MONTH

February

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	Other
0-30	1,068.62					1,068.62
31-60	1,142.32					1,142.32
61-90	1,142.32					1,142.32
91+	456,557.87					456,557.87
TOTAL	\$459,911.13	\$0.00	\$0.00	\$0.00	\$0.00	\$459,911.13

## AGING OF ACCOUNTS RECEIVABLE

MONTH						
0-30 DAYS						
31-60 DAYS						
61-90 DAYS						
91+ DAYS						
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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CASE NAME: HouTex Builders LLC  
CASE NUMBER: 18-34658

## STATEMENT OF INCOME (LOSS)

	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February	FILING TO DATE
REVENUES (MOR-1)										2,400,000.00			4,975,000.00
TOTAL COST OF REVENUES										2,899,307.97			5,493,342.75
GROSS PROFIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-499,307.97	0.00	0.00	-518,342.75
OPERATING EXPENSES:													
Selling & Marketing				-12,000.00									-12,000.00
General & Administrative	22,126.44	25,518.45	1,275.33	2,603.10	1,415.73	1,602.78	962.32	1,875.41	1,215.18	212.00			78,865.93
Insiders Compensation													0.00
Professional Fees		2,693.75						7,757.50		55,186.00			67,903.25
Insurance	2,138.41	2,138.41	2,138.41	2,138.41	-1,049.62		-455.89		3,467.63				17,981.62
Trustee fees		1,625.00			975.00			975.00				975.00	5,200.00
TOTAL OPERATING EXPENSES	24,264.85	31,975.61	3,413.74	-7,258.49	1,341.11	1,602.78	506.43	10,607.91	4,682.81	55,398.00	0.00	975.00	157,950.80
INCOME BEFORE INT, DEPR/TAX (MOR-1)	-24,264.85	-31,975.61	-3,413.74	7,258.49	-1,341.11	-1,602.78	-506.43	-10,607.91	-4,682.81	-554,705.97	0.00	-975.00	-676,293.55
INTEREST EXPENSE	40,454.23	57,197.98	41,398.00	10,004.89	25,543.44	19,551.00	10,124.98	9,745.82	9,839.00	267,335.99	1,142.32	1,068.62	641,369.62
DEPRECIATION													0.00
OTHER (INCOME) EXPENSE*													0.00
OTHER ITEMS**													0.00
TOTAL INT, DEPR & OTHER ITEMS	40,454.23	57,197.98	41,398.00	10,004.89	25,543.44	19,551.00	10,124.98	9,745.82	9,839.00	267,335.99	1,142.32	1,068.62	641,369.62
NET INCOME BEFORE TAXES	-64,719.08	-89,173.59	-44,811.74	-2,746.40	-26,884.55	-21,153.78	-10,631.41	-20,353.73	-14,521.81	-822,041.96	-1,142.32	-2,043.62	-1,317,663.17
FEDERAL INCOME TAXES													0.00
NET INCOME (LOSS) (MOR-1)	(\$64,719.08)	(\$89,173.59)	(\$44,811.74)	(\$2,746.40)	(\$26,884.55)	(\$21,153.78)	(\$10,631.41)	(\$20,353.73)	(\$14,521.81)	(\$822,041.96)	(\$1,142.32)	(\$2,043.62)	(\$1,317,663.17)

Accrual Accounting Required, Otherwise Footnote with Explanation.

\* Footnote Mandatory.

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

**MOR-6**

CASE NAME: HouTex Builders LLC

CASE NUMBER: 18-34658

CASH RECEIPTS AND DISBURSEMENTS	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February	FILING TO DATE
1. CASH-BEGINNING OF MONTH	\$152,050.94	\$150,527.68	\$86,458.47	\$1,527.02	\$4,485.92	\$3,655.43	\$1,264.70	\$151,451.15	\$151,918.63	\$132,707.22	\$119,290.88	\$569,101.66	\$569,101.66	\$0.00
RECEIPTS:														
2. CASH SALES														0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE														0.00
4. LOANS & ADVANCES (attach list)***	39,600.00		1,618.64	44,800.00		24,880.96	170,296.50	10,000.00						448,328.81
5. SALE OF ASSETS											505,120.28			654,906.78
6. OTHER (attach list)****				288.92	12,500.00									14,788.92
TOTAL RECEIPTS**	39,600.00	0.00	1,618.64	45,088.92	12,500.00	24,880.96	170,296.50	10,000.00	0.00	0.00	505,120.28	0.00	0.00	1,118,024.51
(Withdrawal) Contribution by Individual Debtor MFR-2*														0.00
DISBURSEMENTS:														
7. NET PAYROLL														0.00
8. PAYROLL TAXES PAID														0.00
9. SALES, USE & OTHER TAXES PAID			50.00											50.00
10. SECURED/RENTAL/LEASES														0.00
11. UTILITIES & TELEPHONE	410.54	180.70	323.56	724.33	798.10	531.73	1,440.78	567.37	927.41	289.32	111.50			8,957.10
12. INSURANCE	2,089.29	2,094.29			1,322.05			-455.89		3,467.63				20,513.44
13. INVENTORY PURCHASES														0.00
14. INTEREST EXPENSES	31,410.07	39,952.97	56,712.89	40,854.69	9,405.34	24,880.96	18,507.27	9,026.09	8,603.50	8,733.53				379,746.63
15. TRAVEL & ENTERTAINMENT														0.00
16. REPAIRS, MAINTENANCE & SUPPLIES	7,213.36	21,841.25	25,144.89	542.00	1,805.00	875.00	150.00	300.00	948.00	925.86	12.00			67,132.48
17. ADMINISTRATIVE & SELLING				9.00		9.00	12.00	94.95						394.95
18. OTHER (attach list)														0.00
TOTAL DISBURSEMENTS FROM OPERATIONS	41,123.26	64,069.21	82,231.34	42,130.02	13,330.49	26,296.69	20,110.05	9,532.52	10,478.91	13,416.34	123.50	0.00	0.00	476,794.60
19. PROFESSIONAL FEES			2,693.75						7,757.50		55,186.00			67,903.25
20. U.S. TRUSTEE FEES			1,625.00			975.00			975.00				975.00	5,200.00
21. OTHER REORGANIZATION EXPENSES (attach list)														0.00
TOTAL DISBURSEMENTS**	41,123.26	64,069.21	86,550.09	42,130.02	13,330.49	27,271.69	20,110.05	9,532.52	19,211.41	13,416.34	55,309.50	0.00	975.00	549,897.85
22. NET CASH FLOW	-1,523.26	-64,069.21	-84,931.45	2,958.90	-830.49	-2,390.73	150,186.45	467.48	-19,211.41	-13,416.34	449,810.78	0.00	-975.00	568,126.66
23. CASH - END OF MONTH (MOR-2)	\$150,527.68	\$86,458.47	\$1,527.02	\$4,485.92	\$3,655.43	\$1,264.70	\$151,451.15	\$151,918.63	\$132,707.22	\$119,290.88	\$569,101.66	\$569,101.66	\$568,126.66	\$568,126.66

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\* Applies to Individual debtors only

\*\*Numbers for the current month should balance (match)

\*\*\* Advance from Charles Foster

\*\*\*\* January - Refund from construction vendor on home sold in prior month

\*\*\*\* May - Refund of prepaid insurance

\*\*\*\* June - 12,000 return of escrow from sale of asset prior to bankruptcy and 500 option fee

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-1

CASE NAME: HouTex Builders LLC  
CASE NUMBER: 18-34658

**CASH ACCOUNT RECONCILIATION**  
**MONTH OF** February

BANK NAME	Frost Bank				
ACCOUNT NUMBER	#*****6345	#	#		
<b>ACCOUNT TYPE</b>	<b>OPERATING</b>	<b>PAYROLL</b>	<b>TAX</b>	<b>OTHER FUNDS</b>	<b>TOTAL</b>
BANK BALANCE	568,126.66				\$568,126.66
DEPOSITS IN TRANSIT					\$0.00
OUTSTANDING CHECKS					\$0.00
ADJUSTED BANK BALANCE	\$568,126.66	\$0.00	\$0.00	\$0.00	\$568,126.66
BEGINNING CASH - PER BOOKS	569,101.66				\$569,101.66
RECEIPTS*					\$0.00
TRANSFERS BETWEEN ACCOUNTS					\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2					\$0.00
CHECKS/OTHER DISBURSEMENTS*	975.00				\$975.00
ENDING CASH - PER BOOKS	\$568,126.66	\$0.00	\$0.00	\$0.00	\$568,126.66

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\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7



CASE NAME: HouTex Builders LLC  
CASE NUMBER: 18-34658

### PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.  
Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH January	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February
1.														
2.														
3.														
4.														
5.														
6.														
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH January	MONTH February	MONTH March	MONTH April	MONTH May	MONTH June	MONTH July	MONTH August	MONTH September	MONTH October	MONTH November	MONTH December	MONTH January	MONTH February
1. Schmuck, Smith, Tees & Co PC				2,693.75	0.00	0.00	0.00	0.00	0.00	7,757.50	0.00	0.00	0.00	0.00
2. Diamond McCarthy LLP												55,186.00	0.00	0.00
3.														
4.														
5.														
6.														
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$2,693.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,757.50	\$0.00	\$55,186.00	\$0.00	\$0.00

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